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Security Council

Fifty-fifth year

Provisional

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Tuesday, 5 December 2000, 8 p.m.

New York

President:	Mr. Lavrov	(Russian Federation)
Members:	Argentina	Mr. Cappagli
	Bangladesh	Mr. Ahmed
	Canada	Mr. Heinbecker
	China	Mr. Chen Xu
	France	Mr. Levitte
	Jamaica	Miss Thomas
	Malaysia	Mr. Hasmy
	Mali	Mr. Ouane
	Namibia	Mr. Andjaba
	Netherlands	Mr. Verweij
	Tunisia	Mr. Chaouachi
	Ukraine	Mr. Krokhmal
	United Kingdom of Great Britain and Northern Ireland	Sir Jeremy Greenstock
	United States of America	Mr. Cunningham

Agenda

The situation between Iraq and Kuwait

Report of the Secretary-General pursuant to paragraph 5 of resolution 1302 (2000) (S/2000/1132)

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The meeting was called to order at 8.25 p.m.

Expression of thanks to the retiring President

The President (*spoke in Russian*): As this is the first meeting of the Security Council for the month of December, I should like to take this opportunity to pay tribute, on behalf of the Council, to His Excellency Mr. Peter van Walsum, Permanent Representative of the Netherlands to the United Nations, for his service as President of the Security Council for the month of November 2000. I am sure I speak for all members of the Security Council in expressing deep appreciation to Ambassador van Walsum for the great diplomatic skill with which he conducted the Council's business last month.

Adoption of the agenda

The agenda was adopted.

The situation between Iraq and Kuwait

Report of the Secretary-General pursuant to paragraph 5 of resolution 1302 (2000) (S/2000/1132)

The President (*spoke in Russian*): The Security Council will now begin its consideration of the item on its agenda. The Security Council is meeting in accordance with the understanding reached in its prior consultations.

Members of the Council have before them the report of the Secretary-General pursuant to paragraph 5 of resolution 1302 (2000), document S/2000/1132.

Members of the Council also have before them document S/2000/1149, which contains the text of a draft resolution submitted by the United Kingdom of Great Britain and Northern Ireland.

It is my understanding that the Council is ready to proceed to the vote on the draft resolution before it. Unless I hear any objection, I shall put the draft resolution to the vote.

There being no objection, it is so decided.

I shall first call on those members of the Council who wish to make statements before the voting.

Sir Jeremy Greenstock (United Kingdom): It is a great pleasure, Mr. President, to see you in the Chair. In keeping with your style, please accept my abbreviated compliments. Likewise your predecessor, who did excellent work in November.

The United Kingdom is very pleased to see what we expect will be the unanimous adoption of draft resolution S/2000/1149. It is right for the Council to unite behind this programme, which is important and necessary for the welfare of the Iraqi people. It is also right at this juncture for us to pay tribute to the staff of the United Nations who work so hard to implement the programme in sometimes difficult conditions.

The United Kingdom played a central role in the preparation of this draft resolution, and we are therefore well placed to realize the compromises that were made to allow it to be adopted. There were measures we would have preferred to see included; no doubt there were other measures that others would have preferred to see included. But the draft resolution represents a reasonable balance of our collective interests and an important contribution to the work of the programme. There are a number of technical measures contained in the draft resolution, such as the extension of the so-called green, or pre-approved, lists that will ease and improve the implementation of the programme. Again, we ask for the implementation of the so-called cash component across all sectors in Iraq, a measure which, if Iraq allowed it to be implemented, has the potential to make a significant difference to the humanitarian situation by allowing the local economy to be revived.

Perhaps the most important measure we are enacting is to use the money made available from our decision to reduce the funds for compensation to address directly the needs of the vulnerable groups in Iraq. As the Secretary-General has often reported, the needs of those groups — the poorest, the displaced children and the elderly — are often neglected. We look forward to hearing in the next 180-day report how the first tranche of money has been used to meet their needs.

The President (*spoke in Russian*): I thank the representative of the United Kingdom for the abbreviated kind words he addressed to me.

Mr. Hasmy (Malaysia): My delegation, Sir, is pleased to see you presiding over the Council and to thank your predecessor for a job well done.

My delegation will vote in favour of draft resolution S/2000/1149 because we support efforts that

will ensure the smooth and unimpeded implementation of the humanitarian programme for Iraq, which is vital for ameliorating the plight of the Iraqi people, who continue to suffer from the effects of the 10-year-old comprehensive sanctions imposed on their country.

As reflected in the draft resolution, and pointed out by the Secretary-General in his latest report to the Council, contained in document S/2000/1132 of 29 November 2000, the humanitarian programme for Iraq is temporary and short-term in nature and

> "was never intended to meet all the humanitarian needs of the Iraqi population or to be a substitute for normal economic activity". (*S/2001/1132, para. 5*)

Also, as the Secretary-General has pointed out, the programme is not geared to address or remedy the long-term deterioration of the living standards of the people or their declining educational and health standards and the country's declining infrastructure.

My delegation is grateful to the Secretary-General for reminding the Council and the international community of the temporary nature of the humanitarian programme we are extending for Iraq today for another 180 days. It is important that members of the Council keep this in perspective and that we remind ourselves as we renew the programme that this is its fourth year and that there is a real risk that what was intended to be a temporary mechanism to provide humanitarian relief to the Iraqi people may well become a permanent arrangement, as is the case in respect of the sanctions regime itself.

The humanitarian programme, however well-intentioned and executed, cannot be a substitute for the lifting of the sanctions, which alone can deliver the Iraqi people out of their present sorry state of affairs, which has been well documented. As the Secretary-General himself stated in his report,

> "the vast majority of the Iraqi people still faces a situation of decreasing income, thereby intensifying the dependency of the poorer strata on the commodities and services provided through the programme". (*ibid, para. 3*)

He goes on to comment on the patterns of pauperization and growing food insecurity among the Iraqi people, particularly among the most vulnerable of them. The majority of the population struggle to maintain themselves above subsistence level, while vast numbers of highly trained professionals have emigrated due to the deterioration of their living standards as well as isolation from developments in their respective fields, such as science and medicine. These are the very people Iraq can ill afford to lose for its long-term rehabilitation.

It is important that, as the Council extends the humanitarian programme, members keep in mind the sobering reminder of the Secretary-General, which he and the Executive Director of the Iraq Programme never tire of repeating in each and every one of their reports and briefings.

My delegation is also grateful to the Secretary-General and the Executive Director of the Office of the Iraq Programme for drawing attention repeatedly in their reports and briefings to the problem of the holds in the Security Council Committee established by resolution 661 (1990), known as the 661 Committee, which have become a major impediment to the programme's smooth running, with obvious negative effects on the ground. In his report, the Secretary-General has expressed serious concern over the excessive number of holds placed on applications. He observed that the volume of holds had risen drastically to $2.31 billion as at 31 October 2000, and had impacted adversely on such important sectors as electricity, water and sanitation, agriculture, transportation and telecommunications. The holds have also adversely affected efforts to deal with the serious problems of sewage and sanitation.

It is equally true in respect of the deteriorating oil infrastructure, including the important Mina al-Bakr oil terminal, which has not shown any marked improvement since it was highlighted in the Secretary-General's last report. The Secretary-General has also drawn attention to the holds on trucks, which are badly needed for transportation of food supplies. If not eased, these may soon affect the distribution of food rations.

My delegation strongly supports the Secretary-General's appeal to all parties concerned to fully cooperate and address the excessive number of holds placed on applications.

Many reasons, of course, have been adduced to explain the holds, but, while some of them are plausible and will in time be resolved, many others clearly will require the necessary political will on the part of Council members. At any rate, whatever the reasons, what is alarming and of serious concern to the

Secretary-General, and to my delegation, is the excessive number of holds, which must be urgently addressed and resolved. It remains our hope that the Secretary-General's next report to the Council on this subject will present a more positive picture of the question of the holds and of the humanitarian situation in Iraq in general.

My delegation continues to be dismayed by the current humanitarian situation in Iraq and agrees with the Secretary-General's characterization of the sanctions regime as one that enjoyed considerable success in its disarmament mission but has been responsible for worsening the humanitarian crisis in that country as an unintended consequence.

Like him, we too are seriously concerned at the continuing suffering of the Iraqi people and hope that the sanctions imposed on Iraq can be lifted sooner rather than later. For this, all parties concerned must play their respective roles. In this regard, my delegation looks forward to the upcoming dialogue with Iraq in the context of the Secretary-General's good offices, which, hopefully, will facilitate the early and amicable resolution of all outstanding issues with Iraq in the interests of the well-being of the Iraqi people and regional and international peace and security.

In conclusion, let me take this opportunity to pay tribute to Ambassador Peter van Walsum, Chairman of the 661 Committee, for the able manner in which he discharges onerous duties under very difficult circumstances.

The President *(spoke in Russian)*: I thank the representative of Malaysia for his kind words addressed to me.

Mr. Cunningham (United States of America): The United States is pleased to support this latest expression of the Council's efforts to improve the humanitarian situation of the Iraqi people.

We continue to believe that the oil-for-food programme is meeting the needs of the Iraqi people while denying the Baghdad regime access to funds it would use to further threaten its neighbours. The oil-for-food programme can be improved, and the changes which we have agreed to today reflect our interest in making those improvements. But the most effective change would be for the regime to stop obstruction and implement the relevant humanitarian sections of resolution 1284 (1999), which are intended to improve the operation of the oil-for-food programme.

While the Security Council implemented every humanitarian paragraph in resolutions 1284 (1999) and 1302 (2000), the Government of Iraq denied thousands of its citizens the opportunity to perform the hajj, submitted virtually no contracts for the health, water and sanitation, education or oil sectors for phase VIII of the programme, proposed a conversion of the escrow account from dollars to euros, which will cost the humanitarian programme hundreds of millions of dollars, and initiated a housing sector distribution programme that ignores those most in need of housing assistance, against the understanding of the Secretary-General.

Council agreement to Iraq's requests, such as the conversion of the escrow account, has reaped few benefits. On the contrary, during the negotiation of this new phase of the programme we have seen numerous Iraqi attempts to avoid, rather than accept, obligations to the international community. This is clearly unacceptable and works to the detriment of the Iraqi people.

In this draft resolution the Council underscores that arrangements for the purchase of locally produced goods and for the cash component of the oil sector are subject to the Council's approval and are desirable. Funding the cash component in the oil sector is linked conceptually to the need for cash components in all sectors. As the Secretary-General made clear in his report, a cash component is essential for all sectors of the programme. Making progress on this is important and has been a priority for some time.

The Secretary-General should also give priority to making arrangements associated with essential human needs, as requested in resolution 1284 (1999) and in the draft resolution, as well as for the oil industry. We would view submission of arrangements for the oil industry only as incomplete, and the draft resolution calls upon the Government of Iraq to cooperate in the implementation of all such arrangements.

The Security Council agreed in September to transfer funds from the United Nations Compensation Commission for strictly humanitarian projects, and this draft resolution does that. For that move to have real meaning, those funds must be used in a way that takes into account the key elements of the humanitarian

needs of the Iraqi people, as well as the needs of the victims of aggression. Specifically, we suggested that those funds be directed towards malnutrition in children, including the establishment of supplementary feeding centres, the purchase and provision of targeted nutrition supplies and breast-feeding education programmes; for health and nutritional support for internally displaced persons; for specific health infrastructure support for the southern governorates, including Basra; for infrastructural improvements in the health and education sectors; and for the purchase and use of children's vaccines and health and nutritional support for orphaned children resident in other institutions.

The focus of this effort should be on the priorities identified with the Secretary-General and by United Nations personnel on the ground. We hope that the Government of Iraq will cooperate across the board on these and other humanitarian issues. The problem is not lack of resources. Indeed, the Government of Iraq has given up almost $300 million in converting currency from dollars to euros, and, according to the oil-for-food programme, it should give up some $500 million in this phase by stopping the flow of oil. This means some $800 million will be sacrificed which could have benefited the people of Iraq.

We look forward to the implementation of this new six-month phase of the programme. We will continue to work in this Council to gain Iraqi acceptance of its obligations to the international community.

Mr. Cappagli (Argentina)(*spoke in Spanish*): I wish at the outset to congratulate you, Mr. President, and to express my appreciation to Mr. van Walsum for his excellent leadership in November. I also wish to thank the delegation of the United Kingdom for preparing and introducing the draft resolution under consideration.

We support the text of the draft resolution contained in document S/2000/1149, which represents the lowest common denominator for achieving consensus. The text includes a series of new elements, including the allocation of 600 million euros for the oil industry to be used as a cash component. We believe this measure will bring enormous benefit. Similarly, we support the prompt implementation of the cash component in all sectors.

With regard to the payment of Iraqi contributions, referred to in paragraph 8 of the draft resolution, we would have preferred to have reached an agreement on its implementation.

Similarly, with regard to updating the approved simplified listings, the electricity and housing sectors have been included. We hope that the transportation and telecommunications sectors will soon be included, pursuant to the Secretary-General's recommendations.

We support the use of surplus funds designated for the Compensation Committee for humanitarian purposes and, specifically, for the most vulnerable groups. This measure will enable the initiation of concrete projects to help the sectors identified in the Secretary-General's report.

Finally, the updating of the list established according to resolution 1051 (1996) has been scheduled. Thanks to that, we will be able to rely on this necessary action before concluding phase IX.

We are convinced that the progress contained in this draft resolution will be reflected in concrete improvements in the humanitarian situation. Similarly, we hope that they will contribute to achieving greater cooperation in the implementation of the relevant resolutions.

The President (*spoke in Russian*): I thank the representative of Argentina for the kind words he addressed to me.

Mr. Chen Xu (China)(*spoke in Chinese*): The Chinese delegation will vote in favour of the draft resolution, because while Iraq is still under comprehensive sanctions extending the oil-for-food programme is the only effective means to alleviate the humanitarian suffering of the Iraqi people.

It must be pointed out that in certain areas the draft resolution does not fully reflect our requests and positions.

It is well known that the current oil industry situation in Iraq is extremely worrying and can hardly be sustained. Both the Secretary-General and independent oil experts have repeatedly submitted extremely objective and professional reports to the Council. The Iraqi Government has proposed the use of a certain amount of cash components in order to maintain and improve oil-producing conditions. These are reasonable and practical proposals, and the Security

Council should consider them positively. However, this has not been appropriately reflected in the draft resolution, and we very much regret this.

In the past two years the United Nations Office of the Iraq Programme and the many humanitarian agencies in Iraq have repeatedly pointed out that the communications facilities in Iraq can hardly meet basic needs and requests. This is one of the most crucial areas that have seriously hampered the implementation of humanitarian projects. Effective measures are needed to improve this situation.

However, not only have large amounts of contracts been put on hold, but the proposal agreed by many members of the Council that the Secretary-General present a list for rapid approval has not been accepted, due to the differing opinions of a number of Member States. We deeply regret this.

As the oil-for-food programme is about to be extended, we must mention that many humanitarian projects have been put on hold. According to the latest report of the United Nations Office of the Iraq Programme, the amount that has been put on hold exceeds $2.5 billion, and there is no sign of improvement. Obviously, this cannot be accepted. Although the Secretary-General has launched many appeals, and the contract-submitting countries have done their best to cooperate, many contracts have yet to be approved. Obviously, this has not been caused by purely technical reasons. Once again China calls upon the countries concerned to prove by their actions that they are sincere in reducing the holds.

The comprehensive sanctions regime lasting more than 10 years is the major reason for the humanitarian sufferings of the Iraqi people. This is an undeniable fact. The oil-for-food programme cannot, and will never, completely address those humanitarian sufferings. Only early lifting of the sanctions can achieve this objective. Therefore, China calls for the early lifting of the comprehensive sanctions against Iraq.

Mr. Heinbecker (Canada): Our primary concern has always been and remains to ensure the continuation without disruption of the United Nations humanitarian programmes in Iraq. This draft resolution accomplishes that objective. We could have lived with the simple extension of the oil-for-food programme, leaving the contentious issues aside. However, we are satisfied that we now have a draft resolution that makes progress in addressing the humanitarian situation of the Iraqi people, and we are happy to support it on that basis.

On the issue of how to manage the additional 5 per cent of revenue redistributed from the United Nations Compensation Commission, our understanding was that this additional revenue was to have been targeted at specific needs. We would have liked to see a separate escrow account established to deliver targeted nutrition programmes to children and pregnant women. This would have been especially useful, given Iraq's reticence in providing funding for these programmes. This could not be agreed. We welcome nevertheless the focus on delivering assistance to the most vulnerable citizens. The next distribution plan negotiated with the Government of Iraq should include a stepped up nutrition programme and other targeted programmes for the most vulnerable. We look forward to the Secretary-General's report in 180 days on that issue.

With respect to Iraq's payment of its United Nations dues, our position continues to be that we do not support the transfer of humanitarian funds for this purpose. We do not think it is appropriate to divert humanitarian funds to pay for the United Nations Secretariat and members of the bureaucracy. For the purposes of compromise, we have, however, accepted the decision to examine this issue further.

On the oil sector cash component, we believe its cash components are necessary, and we supported their inclusion in resolution 1284 (1999). We are not fully persuaded that separating out the oil sector from others is the best way to meet the needs of the Iraqi people. Again, we recognize that there are differing views on this issue among Council members and that we have arrived at a workable way forward.

We agree with the need for the observation capacity to be fully implemented by the Office of Iraq Programme within 90 days, if possible, and we welcome this element.

Finally, we call on the Government of Iraq to cooperate fully in implementing this draft resolution and resolution 1284 (1999).

Mr. Levitte (France) (*spoke in French*): The Security Council will be extending the humanitarian programme in Iraq for a ninth phase. France will vote in favour of the text for two reasons.

First, France is deeply committed to the continuity of the programme, for the long-suffering

Iraqi population, after 10 years of sanctions, needs it badly. Furthermore, this text contains a number of positive measures that will make it possible to increase the resources available to the population. Additional funding from the Compensation Fund and the programme services account will be immediately allocated to humanitarian projects, in conformity with existing procedures.

The draft resolution also calls upon the Secretary-General, in consultation with the Iraqi Government, to make the necessary arrangements to find resources for the maintenance and operation of Iraq's oil installations. These funds will enable the Iraqi Government to increase its oil production capacity while safeguarding the environment and ensuring the safety of its personnel. This measure is therefore a positive one, for it will bring about a sustainable increase in Iraq's oil income, which is the only source of funding for the humanitarian programme.

However, we regret the fact that there are several shortcomings in the draft. No decision has been taken about the payment of Iraq's arrears to the United Nations from the escrow account, which is not a humanitarian account but a bureaucratic instrument. We will have to come back to this important question, for the principle of paying the arrears is set out in the draft resolution.

Nor has any concrete measure been included to decrease the high level of holds, which has been deemed unacceptable by the Secretary-General. We believe that this is regrettable, because the question of holds is the principal obstacle to the smooth functioning of the programme.

Finally, the Council will have to take a further decision very soon to authorize Iraq to give financial aid to the Palestinians from the escrow account.

At a time when the Secretary-General was engaged in a dialogue with the Iraqi authorities to renew cooperation between Iraq and the United Nations, on the basis, in particular, of the implementation of resolution 1284 (1999), it was particularly important that the Security Council not overlook its responsibilities with regard to the management of the humanitarian programme. The Council has responded by renewing the programme for a ninth phase and by including meaningful improvements.

It is now up to the Council to proceed to a further phase of its work by clarifying anything that is ambiguous or obscure in resolution 1284 (1999), an indispensable prerequisite to its implementation. The French delegation will act accordingly in the weeks to come.

The President (*spoke in Russian*): I shall now make a statement in my capacity as representative of the Russian Federation.

The Russian Federation supported the Council's draft resolution extending the United Nations humanitarian programme into its ninth phase. This was made possible by the sponsors' taking into account several provisions that are matters of principle for us and which truly promote the improved effectiveness of the humanitarian programme.

The draft resolution mentions the understanding reached in September on reducing the deduction rate of funds transferred to the Compensation Fund from 30 to 25 per cent. The draft also contains provisions on the elaboration of a mechanism for the further reduction of the payments, which should become a reality in the very near future. We also consider a step forward the fact that the draft addresses the Security Council's obligation to consider the question of Iraq's contributions to the regular budget of the United Nations.

There is a new and important element in the humanitarian programme regarding the necessity of providing 600 million euros to meet the needs of Iraq's petroleum sector.

Particular attention should be given to the fact that it was agreed not to include any confrontational provisions in the draft regarding individual aspects of the sanctions regime which do not have any direct connection with the humanitarian programme.

I should like to emphasize that Russia has always supported, and continues to support, an overall review of the sanctions in the Security Council, but on the basis of a comprehensive approach, not a selective one. Regrettably, the draft does not reflect any of the concerns contained in the report of the Secretary-General and in the briefing of the Executive Director of the Office of the Iraq Programme, Mr. Sevan, including, most importantly, the continuing problem of contract holds. We would like to see this problem

resolved as soon as possible, as the Secretary-General recommends.

Russia continues to view the humanitarian programme as a transition measure which cannot be an alternative to the stable social and economic development of Iraq.

We are convinced that a fundamental resolution of the problem of the humanitarian crisis will be impossible as long as sanctions are maintained. Consequently, we are in favour of suspending and lifting the sanctions in the context of the implementation of the Security Council's resolutions. We will continue to work actively to this end.

I now resume my functions as President of the Security Council.

I put to the vote the draft resolution contained in document S/2000/1149.

A vote was taken by show of hands.

In favour:

Argentina, Bangladesh, Canada, China, France, Jamaica, Malaysia, Mali, Namibia, Netherlands, Russian Federation, Tunisia, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America

The President (*spoke in Russian*): There were 15 votes in favour. The draft resolution has been adopted unanimously as resolution 1330 (2000).

The Security Council has thus concluded the present stage of its consideration of the item on its agenda.

The Security Council will remain seized of the matter.

The meeting rose at 9.05 p.m.